

**SENATE JOURNAL
66TH LEGISLATURE
SEVENTY-SIXTH LEGISLATIVE DAY**

Helena, Montana
April 11, 2019

Senate Chambers
State Capitol

Senate convened at 1:00 p.m. President Sales presiding. Invocation by Senator Webber. Pledge of Allegiance to the Flag.

Roll Call. All members present. Quorum present.

BILLS AND JOURNALS (Keenan, Chair): 4/11/2019

Correctly printed: **SR 53, SJ 21, SJ 28, SJ 29, SJ 30, HB 10, HB 311, HB 423, HB 432, HB 433, HB 440, HB 567, HB 607, HB 695, HB 717, HB 719, HB 748, HB 756, HB 757, HJ 10, HJ 23.**

Correctly engrossed: **SJ 23, HB 5, HB 411, HB 439, HB 467, HB 555, HB 598, HB 660, HB 676, HB 696.**

Correctly enrolled: **SB 73, SB 116, SB 195, SB 241, SB 268, SB 271, SB 276, SR 36, SR 39, SR 40, SR 41, SR 42, SR 43, SR 46.**

Examined by the sponsor and found to be correct: **SB 133, SB 183, SB 305.**

Transmitted to the House: **SJ 18, SJ 19, HB 34, HB 146, HB 172, HB 291, HB 553.**

Senator Lang arose on a point of personal privilege to read a letter from Jack Racicot and acknowledge the flowers received by the Senate from the Racicot family.

REPORTS OF STANDING COMMITTEES

EDUCATION AND CULTURAL RESOURCES (Salomon, Chair):

4/10/2019

SJ 23, introduced joint resolution, be amended as follows:

1. Page 1, line 19.

Following: "context"

Insert: "and causes"

2. Page 1, line 26.

Strike: "alterative"

Insert: "alternative"

3. Page 2, line 1.

Strike: "alternatives"

Insert: "alternative solutions"

And, as amended, be adopted.

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FINANCE AND CLAIMS (Osmundson, Chair):

4/11/2019

HB 52, be concurred in.

HB 773, be amended as follows:

1. Title, line 8.

Following: line 7

Insert: "GENERALLY REVISING LAWS RELATED TO THE FUNDING FOR THE OFFICE OF THE STATE PUBLIC DEFENDER; PROVIDING FOR A FIXED PERCENTAGE FOR THE LOCAL GOVERNMENT CONTRIBUTION RATE FOR FUNDING THE OFFICE;"

2. Title, line 10.

Following: "RATES;"

Insert: "REQUIRING REPORTING OF THE ANALYSIS COMPARING CERTAIN GROWTH RATES;"

3. Title, line 11.

Following: "MCA;"

Insert: "AMENDING SECTIONS 15-1-121 AND 47-1-125, MCA;"

4. Page 2, line 2.

Following: "justice"

Insert: "or a judiciary standing committee"

5. Page 2, line 12.

Strike: "legislative services division in conjunction with the"

6. Page 2, line 13.

Following: "force."

Insert: "The legislative services division may provide assistance upon request of the task force."

7. Page 2, line 22.

Strike: "and"

8. Page 2, line 23.

Following: "committee"

Insert: ", and the local government interim committee"

9. Page 3, line 2.

Insert: "**Section 3.** Section 15-1-121, MCA, is amended to read:

"15-1-121. Entitlement share payment -- purpose -- appropriation. (1) As described in 15-1-120(3), each local government is entitled to an annual amount that is the replacement for revenue received by local governments for diminishment of property tax base and various earmarked fees and other revenue that, pursuant to Chapter 574, Laws of 2001, amended by section 4, Chapter 13, Special Laws of August 2002, and later enactments, were consolidated to provide aggregation of certain reimbursements, fees, tax collections, and other revenue in the state

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treasury with each local government's share. The reimbursement under this section is provided by direct payment from the state treasury rather than the ad hoc system that offset certain state payments with local government collections due the state and reimbursements made by percentage splits, with a local government remitting a portion of collections to the state, retaining a portion, and in some cases sending a portion to other local governments.

(2) The sources of dedicated revenue that were relinquished by local governments in exchange for an entitlement share of the state general fund were:

(a) personal property tax reimbursements pursuant to sections 167(1) through (5) and 169(6), Chapter 584, Laws of 1999;

(b) vehicle, boat, and aircraft taxes and fees pursuant to:

(i) Title 23, chapter 2, part 5;

(ii) Title 23, chapter 2, part 6;

(iii) Title 23, chapter 2, part 8;

(iv) 61-3-317;

(v) 61-3-321;

(vi) Title 61, chapter 3, part 5, except for 61-3-509(3), as that subsection read prior to the amendment of 61-3-509 in 2001;

(vii) Title 61, chapter 3, part 7;

(viii) 5% of the fees collected under 61-10-122;

(ix) 61-10-130;

(x) 61-10-148; and

(xi) 67-3-205;

(c) gaming revenue pursuant to Title 23, chapter 5, part 6, except for the permit fee in 23-5-612(2)(a);

(d) district court fees pursuant to:

(i) 25-1-201, except those fees in 25-1-201(1)(d), (1)(g), and (1)(j);

(ii) 25-1-202;

(iii) 25-9-506; and

(iv) 27-9-103;

(e) certificate of title fees for manufactured homes pursuant to 15-1-116;

(f) financial institution taxes collected pursuant to the former provisions of Title 15, chapter 31, part 7;

(g) all beer, liquor, and wine taxes pursuant to:

(i) 16-1-404;

(ii) 16-1-406; and

(iii) 16-1-411;

(h) late filing fees pursuant to 61-3-220;

(i) title and registration fees pursuant to 61-3-203;

(j) veterans' cemetery license plate fees pursuant to 61-3-459;

(k) county personalized license plate fees pursuant to 61-3-406;

(l) special mobile equipment fees pursuant to 61-3-431;

(m) single movement permit fees pursuant to 61-4-310;

(n) state aeronautics fees pursuant to 67-3-101; and

(o) department of natural resources and conservation payments in lieu of taxes pursuant to former Title 77, chapter 1, part 5.

(3) Except as provided in subsection (7)(b), the total amount received by each local

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government in the prior fiscal year as an entitlement share payment under this section is the base component for the subsequent fiscal year distribution, and in each subsequent year the prior year entitlement share payment, including any reimbursement payments received pursuant to subsection (7), is each local government's base component. The sum of all local governments' base components is the fiscal year entitlement share pool.

(4) (a) Except as provided in subsections (4)(b)(iv) and (7)(b), the base entitlement share pool must be increased annually by an entitlement share growth rate as provided for in this subsection (4). The amount determined through the application of annual growth rates is the entitlement share pool for each fiscal year.

(b) By October 1 of each year, the department shall calculate the growth rate of the entitlement share pool for the next fiscal year in the following manner:

(i) The department shall calculate the entitlement share growth rate based on the ratio of two factors of state revenue sources for the first, second, and third most recently completed fiscal years as recorded on the statewide budgeting and accounting system. The first factor is the sum of the revenue for the first and second previous completed fiscal years received from the sources referred to in subsections (2)(b), (2)(c), and (2)(g) divided by the sum of the revenue for the second and third previous completed fiscal years received from the same sources multiplied by 0.75. The second factor is the sum of the revenue for the first and second previous completed fiscal years received from individual income tax as provided in Title 15, chapter 30, and corporate income tax as provided in Title 15, chapter 31, divided by the sum of the revenue for the second and third previous completed fiscal years received from the same sources multiplied by 0.25.

(ii) Except as provided in subsections (4)(b)(iii) and (4)(b)(iv) and subject to subsection (13), the entitlement share growth rate is the lesser of:

(A) the sum of the first factor plus the second factor; or

(B) 1.03 for counties, 1.0325 for consolidated local governments, and 1.035 for cities and towns.

(iii) In no instance can the entitlement growth factor be less than 1. Subject to subsection (4)(b)(iv), the entitlement share growth rate is applied to the most recently completed fiscal year entitlement payment to determine the subsequent fiscal year payment.

(iv) The entitlement share growth rate, as described in this subsection (4), is:

(A) for fiscal year 2018, 1.005;

(B) for fiscal year 2019, 1.0187;

(C) for fiscal year 2020 and thereafter, determined as provided in subsection (4)(b)(ii). The rate must be applied to the entitlement payment for the previous fiscal year as if the payment had been calculated using entitlement share growth rates for fiscal years 2018 and 2019 as provided in subsection (4)(b)(ii).

(5) As used in this section, "local government" means a county, a consolidated local government, an incorporated city, and an incorporated town. A local government does not include a tax increment financing district provided for in subsection (8). The county or consolidated local government is responsible for making an allocation from the county's or consolidated local government's share of the entitlement share pool to each special district within the county or consolidated local government in a manner that reasonably reflects each special district's loss of revenue sources for which reimbursement is provided in this section. The allocation for each special district that existed in 2002 must be based on the relative proportion of the loss of revenue in 2002.

(6) (a) The entitlement share pools calculated in this section, the amounts determined

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under 15-1-123(2) for local governments, the funding provided for in subsection (8) of this section, and the amounts determined under 15-1-123(3) for tax increment financing districts are statutorily appropriated, as provided in 17-7-502, from the general fund to the department for distribution to local governments.

(b) (i) The growth amount is the difference between the entitlement share pool in the current fiscal year and the entitlement share pool in the previous fiscal year. The growth factor in the entitlement share must be calculated separately for:

- (A) counties;
- (B) consolidated local governments; and
- (C) incorporated cities and towns.

(ii) In each fiscal year, the growth amount for counties must be allocated as follows:

(A) 50% of the growth amount must be allocated based upon each county's percentage of the prior fiscal year entitlement share pool for all counties; and

(B) 50% of the growth amount must be allocated based upon the percentage that each county's population bears to the state population not residing within consolidated local governments as determined by the latest interim year population estimates from the Montana department of commerce as supplied by the United States bureau of the census.

(iii) In each fiscal year, the growth amount for consolidated local governments must be allocated as follows:

(A) 50% of the growth amount must be allocated based upon each consolidated local government's percentage of the prior fiscal year entitlement share pool for all consolidated local governments; and

(B) 50% of the growth amount must be allocated based upon the percentage that each consolidated local government's population bears to the state's total population residing within consolidated local governments as determined by the latest interim year population estimates from the Montana department of commerce as supplied by the United States bureau of the census.

(iv) In each fiscal year, the growth amount for incorporated cities and towns must be allocated as follows:

(A) 50% of the growth amount must be allocated based upon each incorporated city's or town's percentage of the prior fiscal year entitlement share pool for all incorporated cities and towns; and

(B) 50% of the growth amount must be allocated based upon the percentage that each city's or town's population bears to the state's total population residing within incorporated cities and towns as determined by the latest interim year population estimates from the Montana department of commerce as supplied by the United States bureau of the census.

(v) In each fiscal year, the amount of the entitlement share pool before the growth amount or adjustments made under subsection (7) are applied is to be distributed to each local government in the same manner as the entitlement share pool was distributed in the prior fiscal year.

(7) (a) If the legislature enacts a reimbursement provision that is to be distributed pursuant to this section, the department shall determine the reimbursement amount as provided in the enactment and add the appropriate amount to the entitlement share distribution under this section. The total entitlement share distributions in a fiscal year, including distributions made pursuant to this subsection, equal the local fiscal year entitlement share pool. The ratio of each local government's distribution from the entitlement share pool must be recomputed to determine each local government's ratio to be used in the subsequent year's distribution determination under subsections (6)(b)(ii)(A), (6)(b)(iii)(A), and (6)(b)(iv)(A).

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(b) For fiscal year 2018 and thereafter, the growth rate provided for in subsection (4) does not apply to the portion of the entitlement share pool attributable to the reimbursement provided for in 15-1-123(2). The department shall calculate the portion of the entitlement share pool attributable to the reimbursement in 15-1-123(2), including the application of the growth rate in previous fiscal years, for counties, consolidated local governments, and cities and, for fiscal year 2018 and thereafter, apply the growth rate for that portion of the entitlement share pool as provided in 15-1-123(2).

(c) The growth amount resulting from the application of the growth rate in 15-1-123(2) must be allocated as provided in subsections (6)(b)(ii)(A), (6)(b)(iii)(A), and (6)(b)(iv)(A) of this section.

(8) (a) Except for a tax increment financing district entitled to a reimbursement under 15-1-123(3), if a tax increment financing district was not in existence during the fiscal year ending June 30, 2000, then the tax increment financing district is not entitled to any funding. If a tax increment financing district referred to in subsection (8)(b) terminates, then the funding for the district provided for in subsection (8)(b) terminates.

(b) One-half of the payments provided for in this subsection (8)(b) must be made by November 30 and the other half by May 31 of each year. Subject to subsection (8)(a), the entitlement share for tax increment financing districts is as follows:

Flathead	Kalispell - District 2	\$4,638
Flathead	Kalispell - District 3	37,231
Flathead	Whitefish District	148,194
Gallatin	Bozeman - downtown	31,158
Missoula	Missoula - 1-1C	225,251
Missoula	Missoula - 4-1C	30,009

(9) The estimated fiscal year entitlement share pool and any subsequent entitlement share pool for local governments do not include revenue received from tax increment financing districts.

(10) When there has been an underpayment of a local government's share of the entitlement share pool, the department shall distribute the difference between the underpayment and the correct amount of the entitlement share. When there has been an overpayment of a local government's entitlement share, the local government shall remit the overpaid amount to the department.

(11) A local government may appeal the department's estimation of the base component, the entitlement share growth rate, or a local government's allocation of the entitlement share pool, according to the uniform dispute review procedure in 15-1-211.

(12) (a) Except as provided in 2-7-517, a payment required pursuant to this section may not be offset by a debt owed to a state agency by a local government in accordance with Title 17, chapter 4, part 1.

(b) A payment required pursuant to this section must be withheld if a local government:

(i) fails to meet a deadline established in 2-7-503(1), 7-6-611(2), 7-6-4024(3), or 7-6-4036(1); and

(ii) fails to remit any amounts collected on behalf of the state as required by 15-1-504 or any other amounts owed to the state or another taxing jurisdiction, as otherwise required by law, within

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45 days of the end of a month.

(c) A payment required pursuant to this section may be withheld if, for more than 90 days, a local government fails to:

- (i) file a financial report required by 15-1-504;
- (ii) remit any amounts collected on behalf of the state as required by 15-1-504; or
- (iii) remit any other amounts owed to the state or another taxing jurisdiction.

(13) (a) For fiscal years beginning July 1, 2020, the entitlement share pool must be reduced by the local government contribution. The department shall determine the reduction to the entitlement share pool as provided in subsection (13)(c), allocate the amount among local governments, and reduce the entitlement share payments accordingly.

(b) For purposes of calculating the entitlement share for the subsequent fiscal years, the entitlement share growth rate must be applied to the entitlement share payment of the prior year before the reduction in subsection (13)(a) is applied.

(c) For purposes of this subsection (13), "local government contribution" means 9.0% of the office of state public defender's previous year actual costs less \$3.1 million."

Insert: "Section 4. Section 47-1-125, MCA, is amended to read:

"47-1-125. Reports. (1) (a) The office shall submit a biennial report to the governor, the supreme court, and the legislature, as provided in 5-11-210. Each interim, the director shall also specifically report to the law and justice interim committee established pursuant to 5-5-202 and 5-5-226.

(b) The biennial report must cover the preceding biennium and include:

(i) all policies or procedures in effect for the operation and administration of the statewide public defender system;

(ii) all standards of practice established or being considered by the director for the public defender division, the appellate defender division, and the conflict defender division;

(iii) the number of deputy public defenders and the region supervised by each;

(iv) the number of public defenders employed or contracted with in the system, identified by region, if appropriate, and office;

(v) the number of nonattorney staff employed or contracted with in the system, identified by region, if appropriate, and office;

(vi) the number of new cases in which counsel was assigned to represent a party, identified by region, court, and case type;

(vii) the total number of persons represented by the public defender division, the appellate defender division, and the conflict defender division identified by region, if appropriate, court, and case type;

(viii) the annual caseload and workload of each public defender identified by region, if appropriate, court, and case type;

(ix) the training programs conducted by the office and the number of attorney and nonattorney staff who attended each program;

(x) the continuing education courses on criminal defense or criminal procedure attended by each public defender employed or contracted with in the system; and

(xi) detailed expenditure data by court and case type.

(2) The office shall report data for each fiscal year by September 30 of the subsequent fiscal year representing the caseload for the entire statewide public defender system to the governor and legislative fiscal analyst. The report must include unduplicated count data for all

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cases for which representation is paid for by the office, the number of new cases opened, the number of cases closed, the number of cases that remain open and active, the number of cases that remain open but are inactive, and the average number of days between case opening and closure for each case type. The report must be provided in an electronic format.

(3)(a) For the fiscal year beginning July 1, 2026, and every 5 years thereafter, the legislative fiscal analyst shall compare the percentage change in general fund revenue for the previous 5 years to the percentage change in the amounts allocated to local governments under the provisions of 15-1-121, as amended in 2005, and the actual costs for public defender services for the same time period. The results of the comparison must be presented to the governor, the legislative finance committee, the law and justice interim committee, and the supreme court by September 1 of the following fiscal year.

(b) As used in subsection (3)(a), "actual costs" means all expenditures for public defender services in district court and justice's court that were not reimbursed by the office of court administrator pursuant to 3-5-901."

Renumber: subsequent sections

10. Page 11, line 12.

Strike: "services"

Insert: "fiscal"

11. Page 11, line 23.

Strike: "[SECTION 3]"

Insert: "[Section 5]"

And, as amended, be concurred in.

JUDICIARY (Regier, Chair):

4/11/2019

HB 421, be concurred in.

HB 439, be amended as follows:

1. Title, page 1, line 10 through line 11.

Following: "ANIMAL;"

Strike: "ALLOWING" on line 10 through "RIGHTS;" on line 11

2. Page 3, line 13.

Following: "SHALL"

Strike: "OFFER SERVICES TO"

Insert: "give"

3. Page 3, line 13 through line 14.

Following: "HANDLER"

Strike: remainder of line 13 through line 14

Insert: "the opportunity to participate in the service, program, or activity without having the service animal on the premises."

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4. Page 4, line 6 through line 8.

Strike: subsection (3) in its entirety

Renumber: subsequent subsections

5. Page 4, line 11.

Following: "with"

Strike: "the" through "2-15-1706"

Insert: "local law enforcement"

6. Page 4, line 11 through line 12.

Strike: "and" on line 11 through "verified" on line 12

7. Page 4, line 24.

Strike: "(4)(B)"

Insert: "(3)(b)"

8. Page 4, line 25.

Following: line 25

Insert: "(4) If local law enforcement is called to investigate as provided in subsection (1), written results of the investigation must be provided to the place or accommodation where the instance occurred and to the handler of the animal in question."

And, as amended, be concurred in.

HB 500, be concurred in.

HB 763, be concurred in.

NATURAL RESOURCES (Welborn, Chair):

4/10/2019

HB 411, be amended as follows:

1. Title, page 1, line 9.

Strike: "DECREASING"

Insert: "REVISING"

2. Page 3, line 2.

Strike: "4.4%"

Insert: "1.4%"

3. Page 4, line 5.

Following: "fee"

Strike: "of"

Strike: "\$397.88 per megawatt of"

Insert: "based on"

4. Page 4, line 6.

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Following: "commission."

Insert: "The quarterly invasive species fee for nameplate capacity of:

- (a) at least 1.5 megawatts but less than 25 megawatts is \$274.95 per megawatt;
- (b) at least 25 megawatts but less than 100 megawatts is \$549.90 per megawatt; and
- (c) 100 megawatts or more is \$824.85 per megawatt."

5. Page 4, line 19 through line 21.

Strike: subsection (7) in its entirety

Renumber: subsequent subsection

And, as amended, be concurred in.

PUBLIC HEALTH, WELFARE AND SAFETY (Howard, Chair):

4/10/2019

HB 555, be amended as follows:

1. Page 6, line 29.

Following: "organization;"

Insert: "and"

2. Page 6, line 30 through page 7, line 1.

Strike: subsection (d) in its entirety

Renumber: subsequent subsection

3. Page 8, line 5.

Strike: "7 BUSINESS"

Insert: "45"

4. Page 9, line 27.

Strike: "7 BUSINESS"

Insert: "45"

5. Page 18.

Following: line 19

Insert: "(8) A health insurance issuer may not impose prior authorization or step therapy requirements for an oral therapy prescription used to treat opioid use disorder."

6. Page 19, line 19 through line 28.

Strike: section 8 in its entirety

Renumber: subsequent sections

7. Page 21, line 25.

Strike: "through 8"

Insert: "and 7"

8. Page 21, line 27.

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Strike: "through 8"

Insert: "and 7"

And, as amended, be concurred in.

HB 660, be amended as follows:

1. Page 1, line 29 through line 30.

Strike: "other" on line 29 through "provides" on line 30

Insert: "or more support persons who provide"

Strike: "coordinates" on line 30

Insert: "coordinate"

2. Page 2, line 2.

Following: "means"

Insert: ": (a)"

Following: "37-38-102"

Strike: ", or"

Insert: ";

Insert: "(b) a social worker licensure candidate as defined in 37-22-102;

(c) a professional counselor licensure candidate as defined in 37-23-102; or

(d) a marriage and family therapist licensure candidate as defined in 37-37-102.

(6) "Support person" means:

(a) a physician, physician assistant, advanced practice registered nurse, or registered nurse licensed under Title 37;

(b) an emergency care provider as defined in 37-3-102; or

(c)"

3. Page 2.

Following: line 15

Insert: "(3) (a) At least one grant awarded under this section must be awarded to a rural community, unless no rural community applies for a grant under this section. Two or more rural communities located in close proximity to each other may apply jointly for a grant under this section.

(b) For the purposes of this subsection (3), "rural community" means a city, town, consolidated city-county, or unincorporated area with a population of no more than 15,000 inhabitants."

Renumber: subsequent subsections

4. Page 2, line 30 through page 3, line 6.

Strike: subsection (4) in its entirety

5. Page 3, line 13.

Strike: "October 31"

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Insert: "June 15"

6. Page 3, line 25.

Following: "chapter 21," in both places

Insert: "part 12," in both places

And, as amended, be concurred in.

HB 680, be concurred in.

HB 696, be amended as follows:

1. Page 1, line 21.

Following: "families;"

Strike: "and"

2. Page 1, line 23.

Following: "2017"

Insert: "; and

(c) implement recommendations from the 2016 Montana suicide mortality review team report for evidence-based youth suicide prevention programs and mental health screening"

And, as amended, be concurred in.

STATE ADMINISTRATION (Brown, Chair):

4/10/2019

HB 525, be concurred in.

HB 676, be amended as follows:

1. Title, page 1, line 6 through line 7.

Strike: "EACH" on line 6 through "SESSION" on line 7

Insert: "TO CERTAIN LEGISLATIVE COMMITTEES"

2. Page 1, line 15.

Strike: "\$50,000"

Insert: "\$45,000"

3. Page 1, line 17.

Strike: "At each legislative session, the"

Insert: "The"

4. Page 1, line 18.

Following: "committee"

Insert: "at each legislative session and to the state administration and veterans' affairs interim committee during each interim"

And, as amended, be concurred in.

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HB 776, be concurred in.

Without objection, committee reports were adopted.

MESSAGES FROM THE GOVERNOR

April 10, 2019

Senator Scott Sales, President
Montana Senate
Capitol Building
Helena, MT 59601

Dear President Sales:

On Wednesday, April 10, 2019, I signed the following bills:

Senate Bill 9 - Salomon
Senate Bill 36 - MacDonald
Senate Bill 61 - MacDonald
Senate Bill 64 - Sands
Senate Bill 88 - Sands
Senate Bill 261 - Sands

Sincerely,

STEVE BULLOCK
Governor

MESSAGES FROM THE OTHER HOUSE

Senate bills concurred in and returned to the Senate: 4/10/2019

SB 37, introduced by M. MacDonald
SB 69, introduced by M. Blasdel
SB 155, introduced by R. Webb
SB 302, introduced by J. Esp
SB 334, introduced by B. Hoven

Senate bills concurred in as amended and returned to the Senate for concurrence in House amendments:

4/10/2019

SB 132, introduced by K. Regier
SB 267, introduced by D. Sands

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Senate amendments to House bills concurred in:

4/10/2019

HB 126, introduced by G. Custer
HB 173, introduced by S. Morigeau
HB 231, introduced by C. Knudsen
HB 262, introduced by B. Mercer
HB 288, introduced by M. Caferro
HB 481, introduced by W. Galt
HB 502, introduced by T. Burnett
HB 514, introduced by K. Dudik
HB 523, introduced by K. Sullivan
HB 576, introduced by D. Bedey
HB 617, introduced by B. Usher

HB 22 - The House failed to concur in Senate amendments to **HB 22**, authorized the Speaker to appoint the following Conference Committee, and requested that the Senate appoint a like committee to confer on Senate amendments to **HB 22**:

4/10/2019

Representative Bishop, Vice Chair
Representative Custer
Representative Zolnikov

HB 54 - The House failed to concur in Senate amendments to **HB 54**, authorized the Speaker to appoint the following Conference Committee, and requested that the Senate appoint a like committee to confer on Senate amendments to **HB 54**:

4/10/2019

Representative Stewart Peregoy, Vice Chair
Representative Doane
Representative Dunn

HB 260 - The House failed to concur in Senate amendments to **HB 260**, authorized the Speaker to appoint the following Conference Committee, and requested that the Senate appoint a like committee to confer on Senate amendments to **HB 260**:

4/10/2019

Representative Kassmier, Vice Chair
Representative Garner
Representative Hayman

HB 599 - The House failed to concur in Senate amendments to **HB 599**, authorized the Speaker to appoint the following Conference Committee, and requested that the Senate appoint a like committee to confer on Senate amendments to **HB 599**:

4/10/2019

Representative Windy Boy, Vice Chair
Representative Buttrey
Representative W. Sales

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HB 106 - The House failed to concur in Senate amendments to **HB 106**, authorized the Speaker to appoint the following **Free** Conference Committee, and requested that the Senate appoint a like committee to confer on **HB 106**:

4/10/2019

Representative Gunderson, Vice Chair
Representative Schreiner
Representative Tschida

FIRST READING AND COMMITMENT OF BILLS

The following Senate resolutions were introduced, read first time, and referred to committees:

SR 54, introduced by S. Fitzpatrick, referred to Business, Labor, and Economic Affairs.

SR 55, introduced by B. Hoven, referred to Agriculture, Livestock and Irrigation.

**SECOND READING OF BILLS
(COMMITTEE OF THE WHOLE)**

Majority Leader Thomas moved the Senate resolve itself into a Committee of the Whole for consideration of business on second reading. Motion carried. Senator Fitzpatrick in the chair.

Mr. President: We, your Committee of the Whole, having had under consideration business on second reading, recommend as follows:

SB 12 - Conference Committee Report No. 1 - Senator Salomon moved the Conference Committee report to **SB 12** be adopted. Motion carried as follows:

Yeas: Ankney, Barrett, Bennett, Blasdel, Bogner, Boland, Brown, Cohenour, Cuffe, Ellis, Ellsworth, Esp, Fielder, Fitzpatrick, Flowers, Gauthier, Gillespie, Gross, Hinebauch, Hoven, Howard, Jacobson, Kary, Keenan, Lang, MacDonald, Malek, McClafferty, McConnell, McNally, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sands, Sesso, Small, Smith C, Smith F, Tempel, Thomas, Vance, Vuckovich, Webb, Webber, Welborn, Mr President.

Total 50

Nays: None.

Total 0

Paired: None.

Excused: None.

Total 0

Absent or not voting: None.

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Total 0

SB 158 - Conference Committee Report No. 1 - Senator Vance moved the Conference Committee report to **SB 158** be adopted. Motion carried as follows:

Yeas: Ankney, Barrett, Bennett, Blasdel, Bogner, Boland, Brown, Cohenour, Cuffe, Ellis, Ellsworth, Esp, Fielder, Fitzpatrick, Flowers, Gauthier, Gillespie, Gross, Hinebauch, Hoven, Howard, Jacobson, Kary, Keenan, Lang, MacDonald, Malek, McClafferty, McConnell, McNally, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sands, Sesso, Small, Smith C, Smith F, Tempel, Thomas, Vance, Vuckovich, Webb, Webber, Welborn, Mr President.

Total 50

Nays: None.

Total 0

Paired: None.

Excused: None.

Total 0

Absent or not voting: None.

Total 0

HB 631 - Senator Small moved **HB 631** be concurred in. Motion carried as follows:

Yeas: Ankney, Barrett, Bennett, Boland, Cohenour, Ellis, Fitzpatrick, Flowers, Gauthier, Gillespie, Gross, Jacobson, MacDonald, Malek, McClafferty, McConnell, McNally, Phillips, Pomnichowski, Richmond, Salomon, Sands, Sesso, Small, Smith F, Tempel, Thomas, Vuckovich, Webber, Welborn.

Total 30

Nays: Blasdel, Bogner, Brown, Cuffe, Ellsworth, Esp, Fielder, Hinebauch, Hoven, Howard, Kary, Keenan, Lang, Olszewski, Osmundson, Regier, Smith C, Vance, Webb, Mr President.

Total 20

Paired: None.

Excused: None.

Total 0

Absent or not voting: None.

Total 0

Senator Flowers excused at this time.

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HB 643 - Senator Tempel moved **HB 643** be concurred in. Motion carried as follows:

Yeas: Ankney, Barrett, Bennett, Blasdel, Bogner, Boland, Brown, Cohenour, Cuffe, Ellis, Ellsworth, Esp, Fielder, Fitzpatrick, Gauthier, Gillespie, Gross, Hinebauch, Hoven, Howard, Jacobson, Kary, Keenan, Lang, MacDonald, Malek, McClafferty, McConnell, McNally, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sands, Sesso, Small, Smith C, Smith F, Tempel, Thomas, Vance, Vuckovich, Webb, Webber, Welborn, Mr President.

Total 49

Nays: None.

Total 0

Paired: None.

Excused: Flowers.

Total 1

Absent or not voting: None.

Total 0

Senator Flowers present at this time.

HB 657 - Senator Salomon moved **HB 657** be concurred in. Motion carried as follows:

Yeas: Ankney, Barrett, Bennett, Blasdel, Bogner, Boland, Brown, Cohenour, Cuffe, Ellis, Ellsworth, Fitzpatrick, Flowers, Gauthier, Gillespie, Gross, Hoven, Jacobson, Keenan, Lang, MacDonald, Malek, McClafferty, McConnell, McNally, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sands, Sesso, Small, Smith C, Smith F, Tempel, Thomas, Vuckovich, Webb, Webber, Welborn, Mr President.

Total 44

Nays: Esp, Fielder, Hinebauch, Howard, Kary, Vance.

Total 6

Paired: None.

Excused: None.

Total 0

Absent or not voting: None.

Total 0

HB 754 - Senator K. Regier moved **HB 754** be concurred in. Motion carried as follows:

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Yeas: Ankney, Barrett, Bennett, Blasdel, Bogner, Boland, Cohenour, Cuffe, Ellis, Ellsworth, Fielder, Fitzpatrick, Flowers, Gauthier, Gillespie, Gross, Hoven, Howard, Jacobson, Kary, Lang, MacDonald, Malek, McClafferty, McConnell, McNally, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sands, Sesso, Small, Smith C, Smith F, Tempel, Thomas, Vuckovich, Webb, Webber, Welborn, Mr President.
Total 45

Nays: Brown, Esp, Hinebauch, Keenan, Vance.
Total 5

Paired: None.

Excused: None.
Total 0

Absent or not voting: None.
Total 0

HB 4 - Senator Osmundson moved **HB 4** be concurred in. Motion carried as follows:

Yeas: Ankney, Barrett, Bennett, Blasdel, Bogner, Boland, Brown, Cohenour, Cuffe, Ellis, Ellsworth, Esp, Fielder, Fitzpatrick, Flowers, Gauthier, Gillespie, Gross, Hinebauch, Hoven, Howard, Jacobson, Kary, Keenan, Lang, MacDonald, Malek, McClafferty, McConnell, McNally, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sands, Sesso, Small, Smith C, Smith F, Tempel, Thomas, Vance, Vuckovich, Webb, Webber, Welborn, Mr President.
Total 50

Nays: None.
Total 0

Paired: None.

Excused: None.
Total 0

Absent or not voting: None.
Total 0

HB 654 - Senator Olszewski moved **HB 654** be concurred in. Motion carried as follows:

Yeas: Ankney, Barrett, Bennett, Blasdel, Bogner, Boland, Brown, Cohenour, Cuffe, Ellis, Ellsworth, Fielder, Fitzpatrick, Flowers, Gauthier, Gillespie, Gross, Hoven, Howard, Jacobson, Keenan, Lang, MacDonald, Malek, McClafferty, McConnell, McNally, Olszewski, Osmundson, Phillips, Pomnichowski, Richmond, Salomon, Sands, Sesso, Small, Smith C, Smith F, Tempel,

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Thomas, Vance, Vuckovich, Webb, Webber, Welborn.
Total 45

Nays: Esp, Hinebauch, Kary, Regier, Mr President.
Total 5

Paired: None.

Excused: None.
Total 0

Absent or not voting: None.
Total 0

HB 716 - Senator Salomon moved **HB 716** be concurred in. Motion carried as follows:

Yeas: Ankney, Barrett, Bennett, Blasdel, Boland, Cohenour, Cuffe, Ellis, Fitzpatrick, Flowers, Gauthier, Gillespie, Gross, Hinebauch, Hoven, Howard, Jacobson, Lang, MacDonald, Malek, McClafferty, McConnell, McNally, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sands, Sesso, Small, Smith F, Tempel, Thomas, Vuckovich, Webb, Webber, Welborn.
Total 40

Nays: Bogner, Brown, Ellsworth, Esp, Fielder, Kary, Keenan, Smith C, Vance, Mr President.
Total 10

Paired: None.

Excused: None.
Total 0

Absent or not voting: None.
Total 0

HB 658 - Senator Small moved **HB 658** be concurred in.

HB 658 - Senator Keenan moved **HB 658**, second reading copy, be amended with amendment **658003** as follows:

1. Page 38, line 6.

Strike: ", including but not limited to"

Insert: "by"

2. Page 38, line 10 through line 11.

Strike: line 10 and line 11

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Insert: "(d) establishing a robust statewide patient-centered medical home model;
(e) using utilization management strategies including proven value-based care programs focused on providing quality care and lowering costs;
(f) using new health care management platforms designed specifically for care coordination and utilization review in medicaid programs;
(g) providing disease management;
(h) administering health risk assessments that allow for proper risk stratification and care coordination assignment;
(i) integrating physical and behavioral health services;
(j) using on-staff medical directors to develop innovative programs designed to care for program participants;
(k) providing customer service; and"
Renumber: subsequent subsection

3. Page 38.

Following: line 12

Insert: "(2) A third-party administrator selected under this section:
(a) shall, except as provided in subsection (4), administer all eligible benefits for program participants, including but not limited to transportation and mental health and substance use disorder treatment services; and
(b) is not responsible for administering:
(i) any element of the community engagement requirement provisions of [sections 1 and 2]; or
(ii) the provisions of the taxpayer integrity fee provided for in 15-30-2660."

Renumber: subsequent subsections

4. Page 39, line 12.

Strike: "subsections (1)(a) through (1)(f)"

Insert: "subsection (1)"

5. Page 39.

Following: line 13

Insert: "(6) (a) The department may, in collaboration with any third-party administrator selected under this section, choose a clinical health risk assessment for use in identifying individuals who are medically frail or have exceptional health needs. The department shall administer the health risk assessment for the initial identification of individuals who are medically frail or have exceptional health needs.
(b) If the third-party administrator determines at a later time that a program participant is medically frail, the individual must be enrolled in the medicaid program provided for in Title 53, chapter 6, part 1."

Amendment **not** adopted as follows:

Yeas: Blasdel, Bogner, Brown, Cuffe, Ellsworth, Esp, Fielder, Fitzpatrick, Hinebauch, Hoven, Howard, Kary, Keenan, Lang, Olszewski, Osmundson, Regier, Smith C, Tempel, Thomas,

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Vance, Webb, Mr President.

Total 23

Nays: Ankney, Barrett, Bennett, Boland, Cohenour, Ellis, Flowers, Gauthier, Gillespie, Gross, Jacobson, MacDonald, Malek, McClafferty, McConnell, McNally, Phillips, Pomnichowski, Richmond, Salomon, Sands, Sesso, Small, Smith F, Vuckovich, Webber, Welborn.

Total 27

Paired: None.

Excused: None.

Total 0

Absent or not voting: None.

Total 0

HB 658 - Senator Sesso moved **HB 658**, second reading copy, be amended with amendment **658006** as follows:

1. Page 5, line 27.

Strike: "THE"

Insert: "Upon consideration of recommendations by the"

Following: "COMMITTEE AUDITOR"

Insert: ", the legislative audit committee"

2. Page 6, line 10.

Strike: "AUDITOR"

Insert: "audit committee"

Amendment **adopted** as follows:

Yeas: Ankney, Barrett, Bennett, Boland, Cohenour, Ellis, Fitzpatrick, Flowers, Gauthier, Gross, Hoven, Jacobson, MacDonald, Malek, McClafferty, McConnell, McNally, Phillips, Pomnichowski, Richmond, Salomon, Sands, Sesso, Small, Smith F, Vuckovich, Webber, Welborn.

Total 28

Nays: Blasdel, Bogner, Brown, Cuffe, Ellsworth, Esp, Fielder, Gillespie, Hinebauch, Howard, Kary, Keenan, Lang, Olszewski, Osmundson, Regier, Smith C, Tempel, Thomas, Vance, Webb, Mr President.

Total 22

Paired: None.

Excused: None.

Total 0

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Absent or not voting: None.

Total 0

HB 658 - Senator Sesso moved **HB 658**, second reading copy, be further amended with amendment **658008** as follows:

1. Title, page 1, line 16.

Following: "ACCOUNT;"

Insert: "ALLOWING THE GOVERNOR TO AUTHORIZE A SUPPLEMENTAL APPROPRIATION TRANSFER FOR THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES; REQUIRING THE GOVERNOR TO REPORT TO THE LEGISLATIVE FINANCE COMMITTEE;"

2. Title, page 1, line 18.

Following: "15-66-205,"

Insert: "17-7-301, 17-7-311,"

3. Page 17.

Following: line 14

Insert: "Section 17. Section 17-7-301, MCA, is amended to read:

"17-7-301. Authorization to expend during first year of biennium from appropriation for second year -- proposed supplemental appropriation defined -- limit on second-year expenditures. (1) An agency may make expenditures during the first fiscal year of the biennium from appropriations for the second fiscal year of the biennium if authorized by the general appropriations act. An agency that is not authorized in the general appropriations act or in [House Bill No. 658] to make first-year expenditures may be granted spending authorization by the approving authority upon submission and approval of a proposed supplemental appropriation to the approving authority. The proposal submitted to the approving authority must include a plan for reducing expenditures in the second year of the biennium that allows the agency to contain expenditures within appropriations. If the approving authority finds that, due to an unforeseen and unanticipated emergency, the amount actually appropriated for the first fiscal year of the biennium with all other income will be insufficient for the operation and maintenance of the agency during the year for which the appropriation was made, the approving authority shall, after careful study and examination of the request and upon review of the recommendation for executive branch proposals by the budget director, submit the proposed supplemental appropriation to the legislative fiscal analyst.

(2) The plan for reducing expenditures required by subsection (1) is not required if the proposed supplemental appropriation is:

(a) due to an unforeseen and unanticipated emergency for fire suppression;

(b) requested by the superintendent of public instruction, in accordance with the provisions of 20-9-351, and is to complete the state's funding of guaranteed tax base aid, transportation aid, or equalization aid to elementary and secondary schools for the current biennium; or

(c) requested by the department of public health and human services when the expenditures for the approved level of medicaid expansion benefits exceed the level of the

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appropriations for medicaid expansion benefits; or

~~(e)~~(d) requested by the attorney general and:

(i) is to pay the costs associated with litigation in which the department of justice is required to provide representation to the state of Montana; or

(ii) in accordance with the provisions of 7-32-2242, is to pay costs for which the department of justice is responsible for confinement of an arrested person in a detention center.

(3) Upon receipt of the recommendation of the legislative finance committee pursuant to 17-7-311, the approving authority may authorize an expenditure during the first fiscal year of the biennium to be made from the appropriation for the second fiscal year of the biennium. Except as provided in subsection (2), the approving authority shall require the agency to implement the plan for reducing expenditures in the second year of the biennium that contains agency expenditures within appropriations.

(4) The agency may expend the amount authorized by the approving authority only for the purposes specified in the authorization.

(5) The approving authority shall report to the next legislature in a special section of the budget the amounts expended as a result of all authorizations granted by the approving authority and shall request that any necessary supplemental appropriation bills be passed.

(6) As used in this part, "proposed supplemental appropriation" means an application for authorization to make expenditures during the first fiscal year of the biennium from appropriations for the second fiscal year of the biennium.

(7) (a) Except as provided in subsections (2) and (7)(b), an agency may not make expenditures in the second year of the biennium that, if carried on for the full year, will require a deficiency appropriation, commonly referred to as a "supplemental appropriation".

(b) An agency shall prepare and, to the extent feasible, implement a plan for reducing expenditures in the second year of the biennium that contains agency expenditures within appropriations. The approving authority is responsible for ensuring the implementation of the plan. If, in the second year of a biennium, mandated expenditures that are required by state or federal law will cause an agency to exceed appropriations or available funds, the agency shall reduce all nonmandated expenditures pursuant to the plan in order to reduce to the greatest extent possible the expenditures in excess of appropriations or funding. An agency may not transfer funds between fund types in order to implement a plan."

Insert: "Section 18. Section 17-7-311, MCA, is amended to read:

"17-7-311. Proposed fiscal year transfer supplemental appropriation -- procedure.

(1) A proposed supplemental appropriation to transfer appropriations between fiscal years of a biennium and all supporting documentation must be submitted to the legislative fiscal analyst. The governor may not approve a proposed fiscal year transfer supplemental appropriation until the governor receives the legislative finance committee's written report for that proposed fiscal year transfer supplemental appropriation unless:

(a) the report is not received within 90 calendar days from the date the proposed fiscal year transfer supplemental appropriation and supporting documentation were forwarded to the legislative finance committee, in which case the governor may approve the proposed fiscal year transfer supplemental appropriation; or

(b) there has been a waiver of the review and report requirements, as provided in subsection (4).

(2) The legislative fiscal analyst shall review each proposed fiscal year transfer

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supplemental appropriation submitted by the governor for compliance with statutory requirements and standards and to determine the expenditures that will be reduced in order to contain spending within legislative appropriations. The legislative fiscal analyst shall present a written report of this review to the legislative finance committee. Within 10 days after the legislative finance committee's consideration of the proposed fiscal year transfer supplemental appropriation, the legislative fiscal analyst shall submit the legislative finance committee's report to the governor.

(3) Upon receipt of the legislative finance committee's written report, the governor may approve or deny the proposed fiscal year transfer supplemental appropriation or may return the proposed fiscal year transfer supplemental appropriation to the requesting agency for further information. If the governor has returned the proposed fiscal year transfer supplemental appropriation to the requesting agency and the requesting agency resubmits the proposed fiscal year transfer supplemental appropriation to the governor, all procedures provided in this section apply to the resubmitted proposed fiscal year transfer supplemental appropriation.

(4) (a) If an emergency occurs that poses a serious threat to the life, health, or safety of the public, the legislative fiscal analyst may waive the written review and the legislative finance committee's written report required by this section. After a waiver, the legislative fiscal analyst may complete the written review.

(b) Upon receipt of the waiver, the governor may approve the proposed fiscal year transfer supplemental appropriation.

(c) A waiver affects only the legislative fiscal analyst's written review and the legislative finance committee's written report on the proposed fiscal year transfer supplemental appropriation. All other proposed fiscal year transfer supplemental appropriation requirements and standards remain in effect.

(5) Nothing in this part confers on the legislative finance committee authority to approve or deny a proposed fiscal year transfer supplemental appropriation.

(6) For the biennium beginning July 1, 2019, the provisions of this section do not apply to a supplemental appropriation transfer for the department of public health and human services if the expenditures for the approved level of medicaid expansion benefits exceed the level of the appropriations for medicaid expansion benefits. Prior to approving a supplemental appropriation transfer for the department in that circumstance, the governor shall notify the legislative fiscal analyst in writing and shall subsequently report to the legislative finance committee on the dollar amount of the supplemental appropriation by September 30, 2020."

Renumber: subsequent sections

4. Page 49

Following: line 15

Insert: "(3) [Sections 17 and 18] regarding supplemental transfers terminate June 30, 2021."

5. Page 1, line 27 through page 49, line 15.

Renumber: internal references to reflect added sections

Amendment **adopted** as follows:

Yeas: Ankney, Barrett, Bennett, Boland, Cohenour, Ellis, Flowers, Gauthier, Gross, Hoven,

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Jacobson, MacDonald, Malek, McClafferty, McConnell, McNally, Phillips, Pomnichowski, Richmond, Salomon, Sands, Sesso, Small, Smith F, Vuckovich, Webber, Welborn.
Total 27

Nays: Blasdel, Bogner, Brown, Cuffe, Ellsworth, Esp, Fielder, Fitzpatrick, Gillespie, Hinebauch, Howard, Kary, Keenan, Lang, Olszewski, Osmundson, Regier, Smith C, Tempel, Thomas, Vance, Webb, Mr President.
Total 23

Paired: None.

Excused: None.
Total 0

Absent or not voting: None.
Total 0

HB 658 - Senator Small moved **HB 658**, second reading copy, be further amended with amendment **658011** as follows:

1. Title, page 1, line 20.
Following: "53-6-1307,"
Insert: "AND"

2. Title, page 1, line 21.
Strike: "AND 53-6-1317,"

3. Page 43, line 10 through page 45, line 8.
Strike: section 33 in its entirety

Insert: "NEW SECTION. Section 33. Report to legislature. The department shall report the following information to the legislative finance committee and the children, families, health, and human services interim committee quarterly:

- (1) the number of individuals who were determined eligible for medicaid-funded services pursuant to 53-6-1304;
- (2) demographic information on program participants;
- (3) the average length of time that participants remained eligible for medical assistance;
- (4) the number of participants subject to the fees provided for in 15-30-2660 and the total amount of fees collected;
- (5) the amount of money deposited in the Montana HELP act special revenue account, by source of funding;
- (6) the level of participant engagement in wellness activities or incentives offered under this part;
- (7) the number of participants who took part in community engagement activities, the number whose program participation was suspended for failure to take part in community engagement activities, and the number who were disenrolled from the program for failure to

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report a change in circumstances;

(8) the number of participants who reduced their dependency on the HELP Act program, either voluntarily or because of increased income levels; and

(9) the total cost of providing services under this part, including related administrative costs."

4. Page 47, line 24.

Following: "5"

Insert: "and 33"

5. Page 47, line 26.

Following: "5"

Insert: "and 33"

6. Page 48, line 26.

Following: "31"

Insert: "(1)(a) and (1)(b)"

Amendment **adopted** as follows:

Yeas: Ankney, Barrett, Bennett, Boland, Cohenour, Ellis, Flowers, Gauthier, Gross, Hoven, Jacobson, MacDonald, Malek, McClafferty, McConnell, McNally, Phillips, Pomnichowski, Richmond, Salomon, Sands, Sesso, Small, Smith F, Tempel, Vuckovich, Webber, Welborn.
Total 28

Nays: Blasdel, Bogner, Brown, Cuffe, Ellsworth, Esp, Fielder, Fitzpatrick, Gillespie, Hinebauch, Howard, Kary, Keenan, Lang, Olszewski, Osmundson, Regier, Smith C, Thomas, Vance, Webb, Mr President.
Total 22

Paired: None.

Excused: None.

Total 0

Absent or not voting: None.

Total 0

HB 658 - Senator D. Brown moved **HB 658**, second reading copy, be further amended with amendment **658005** as follows:

1. Title, page 1, line 7.

Strike: "MAKING"

Insert: "EXTENDING"

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2. Title, page 1, line 8.

Strike: "REPEALING"

Insert: "REVISING"

3. Title, page 1, line 21.

Strike: "AND REPEALING"

4. Page 45, line 11.

Strike: "JANUARY 1, 2020"

Insert: "June 30, 2025"

5. Page 45, line 14.

Strike: "JANUARY 1, 2020"

Insert: "June 30, 2025"

6. Page 45, line 20.

Strike: section 36 in its entirety

Renumber: subsequent sections

7. Page 1, line 27 through page 49, line 15.

Renumber: internal references to reflect deleted section

Amendment **not** adopted as follows:

Yeas: Ankney, Blasdel, Bogner, Brown, Cuffe, Ellsworth, Esp, Fielder, Gillespie, Hinebauch, Hoven, Howard, Kary, Keenan, Lang, Olszewski, Osmundson, Regier, Smith C, Tempel, Thomas, Vance, Webb, Mr President.

Total 24

Nays: Barrett, Bennett, Boland, Cohenour, Ellis, Fitzpatrick, Flowers, Gauthier, Gross, Jacobson, MacDonald, Malek, McClafferty, McConnell, McNally, Phillips, Pomnichowski, Richmond, Salomon, Sands, Sesso, Small, Smith F, Vuckovich, Webber, Welborn.

Total 26

Paired: None.

Excused: None.

Total 0

Absent or not voting: None.

Total 0

HB 658 - Senator Cuffe moved **HB 658**, second reading copy, be further amended with amendment **658013** as follows:

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1. Title, page 1, line 20.

Following: "53-6-1307,"

Insert: "AND"

2. Title, page 1, line 21.

Strike: "AND 53-6-1317,"

3. Page 43, line 10 through page 45, line 8.

Strike: section 33 in its entirety

"NEW SECTION. Section 33. Report to legislature. (1) The department shall report the following information to the legislative finance committee and the children, families, health, and human services interim committee quarterly:

(a) the number of individuals who were determined eligible for medicaid-funded services pursuant to 53-6-1304, total current enrollment under this part, and the number of individuals ever enrolled under this part; and

(b) demographic information on program participants as required under subsection (2) .

(2) The department shall report the following demographic information about program participants currently enrolled in the program:

(a) age and gender;

(b) parental or caregiver status;

(c) employment status, including for those who report being employed, the number who are working:

(i) 20 or fewer hours a week;

(ii) 21 to 40 hours a week; and

(iii) full time;

(d) household size and household income;

(e) individual monthly income;

(f) the region of the state in which participants live and the number who are from out of state;

(g) the length of time participants have been enrolled under this part;

(h) monthly premiums paid by each program participant, categorized in the following increments:

(i) less than \$15;

(ii) \$15 to \$29;

(iii) \$30 to \$49;

(iv) \$50 to \$99; and

(v) \$100 or more;

(i) the number of participants reporting unearned income; and

(j) the number of participants who:

(i) were determined to be medically frail;

(ii) are pregnant;

(iii) have ongoing third-party insurance;

(iv) are enrolled in the supplemental nutrition assistance program;

(v) are enrolled in the temporary assistance for needy families program; and

(vi) are American Indian."

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4. Page 47, line 24.

Following: "5"

Insert: "and 33"

5. Page 47, line 26.

Following: "5"

Insert: "and 33"

Amendment **not** adopted as follows:

Yeas: Ankney, Blasdel, Bogner, Brown, Cuffe, Ellsworth, Esp, Fielder, Gillespie, Hinebauch, Hoven, Howard, Kary, Keenan, Lang, Olszewski, Osmundson, Regier, Smith C, Tempel, Thomas, Vance, Webb, Mr President.

Total 24

Nays: Barrett, Bennett, Boland, Cohenour, Ellis, Fitzpatrick, Flowers, Gauthier, Gross, Jacobson, MacDonald, Malek, McClafferty, McConnell, McNally, Phillips, Pomnichowski, Richmond, Salomon, Sands, Sesso, Small, Smith F, Vuckovich, Webber, Welborn.

Total 26

Paired: None.

Excused: None.

Total 0

Absent or not voting: None.

Total 0

HB 658 - Majority Leader Thomas moved **HB 658**, second reading copy, be further amended with amendment **658012** as follows:

1. Title, page 1, line 17.

Following: "SECTIONS"

Insert: "15-30-2618,"

2. Title, page 1, line 18.

Following: "16-30-2660,"

Insert: "15-31-511,"

3. Page 11, line 16.

Insert: "**Section 8.** Section 15-30-2618, MCA, is amended to read:

"15-30-2618. Confidentiality of tax records. (1) Except as provided in 5-12-303, 15-1-106, 17-7-111, and subsections ~~(8)~~ and (7) through (9) of this section, in accordance with a proper judicial order, or as otherwise provided by law, it is unlawful to divulge or make known in any manner:

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(a) the amount of income or any particulars set forth or disclosed in any individual report or individual return required under this chapter or any other information secured in the administration of this chapter; or

(b) any federal return or federal return information disclosed on any return or report required by rule of the department or under this chapter.

(2) (a) The officers charged with the custody of the reports and returns may not be required to produce them or evidence of anything contained in them in an action or proceeding in a court, except in an action or proceeding:

(i) to which the department is a party under the provisions of this chapter or any other taxing act; or

(ii) on behalf of a party to any action or proceedings under the provisions of this chapter or other taxes when the reports or facts shown by the reports are directly involved in the action or proceedings.

(b) The court may require the production of and may admit in evidence only as much of the reports or of the facts shown by the reports as are pertinent to the action or proceedings.

(3) This section does not prohibit:

(a) the delivery to a taxpayer or the taxpayer's authorized representative of a certified copy of any return or report filed in connection with the taxpayer's tax;

(b) the publication of statistics classified to prevent the identification of particular reports or returns and the items of particular reports or returns; or

(c) the inspection by the attorney general or other legal representative of the state of the report or return of any taxpayer who brings an action to set aside or review the tax based on the report or return or against whom an action or proceeding has been instituted in accordance with the provisions of 15-30-2630.

(4) The department may deliver to a taxpayer's spouse the taxpayer's return or information related to the return for a tax year if the spouse and the taxpayer filed the return with the filing status of married filing separately on the same return. The information being provided to the spouse or reported on the return, including subsequent adjustments or amendments to the return, must be treated in the same manner as if the spouse and the taxpayer filed the return using a joint filing status for that tax year.

(5) Reports and returns must be preserved for at least 3 years and may be preserved until the department orders them to be destroyed.

(6) Any offense against subsections (1) through (5) is punishable by a fine not exceeding \$500. If the offender is an officer or employee of the state, the offender must be dismissed from office or employment and may not hold any public office or public employment in this state for a period of 1 year after dismissal or, in the case of a former officer or employee, for 1 year after conviction.

(7) This section may not be construed to prohibit the department from providing taxpayer return information and information from employers' payroll withholding reports to:

(a) the department of labor and industry to be used for the purpose of investigation and prevention of noncompliance, tax evasion, fraud, and abuse under the unemployment insurance laws; ~~or~~

(b) the state fund to be used for the purpose of investigation and prevention of noncompliance, fraud, and abuse under the workers' compensation program; or

(c) the department of public health and human services to verify, as required under 53-6-133, the income reported by applicants for medical assistance.

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(8) The department may permit the commissioner of internal revenue of the United States or the proper officer of any state imposing a tax on the incomes of individuals or the authorized representative of either officer to inspect the return of income of any individual or may furnish to the officer or an authorized representative an abstract of the return of income of any individual or supply the officer with information concerning an item of income contained in a return or disclosed by the report of an investigation of the income or return of income of an individual, but the permission may be granted or information furnished only if the statutes of the United States or of the other state grant substantially similar privileges to the proper officer of this state charged with the administration of this chapter.

(9) On written request to the director or a designee of the director, the department shall furnish:

(a) to the department of justice all information necessary to identify those persons qualifying for the additional exemption for blindness pursuant to 15-30-2114(4), for the purpose of enabling the department of justice to administer the provisions of 61-5-105;

(b) to the department of public health and human services information acquired under 15-30-2616, pertaining to an applicant for public assistance, reasonably necessary for the prevention and detection of public assistance fraud and abuse, provided notice to the applicant has been given;

(c) to the department of labor and industry:

(i) for the purpose of prevention and detection of fraud and abuse in and eligibility for benefits under the unemployment compensation and workers' compensation programs, information on whether a taxpayer who is the subject of an ongoing investigation by the department of labor and industry is an employee, an independent contractor, or self-employed; and

(ii) for the purpose of administering the apprenticeship tax credit provided for in 39-6-109, employer and apprentice information necessary to implement 15-30-2357, 15-31-173, and 39-6-109;

(d) to the department of fish, wildlife, and parks specific information that is available from income tax returns and required under 87-2-102 to establish the residency requirements of an applicant for hunting and fishing licenses;

(e) to the board of regents information required under 20-26-1111;

(f) to the legislative fiscal analyst and the office of budget and program planning individual income tax information as provided in 5-12-303, 15-1-106, and 17-7-111. The information provided to the office of budget and program planning must be the same as the information provided to the legislative fiscal analyst.

(g) to the department of transportation farm income information based on the most recent income tax return filed by an applicant applying for a refund under 15-70-430, provided that notice to the applicant has been given as provided in 15-70-430. The information obtained by the department of transportation is subject to the same restrictions on disclosure as are individual income tax returns.

(h) to the department of commerce tax information about a taxpayer whose debt is assigned to the department of revenue for offset or collection pursuant to the terms of Title 17, chapter 4, part 1. The information provided to the department of commerce must be used for the purposes of preventing and detecting fraud or abuse and determining eligibility for grants or loans.

(i) to the superintendent of public instruction information required under 20-9-905.

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(Subsection (9)(i) terminates December 31, 2023--sec. 33, Ch. 457, L. 2015.)""

Renumber: subsequent sections

4. Page 32, line 23.

Following: "(3)"

Insert: "(a)"

5. Page 32, line 24.

Following: "regulation"

Insert: "and Montana department of revenue information as required under subsection (3)(b)"

6. Page 32.

Following: line 25

Insert: "(b) The department shall request income tax and wage income from the department of revenue as allowed under 15-30-2618 and 15-31-511 to verify the income information provided by applicants who may be eligible for coverage pursuant to 53-6-1304."

7. Page 1, line 27 through page 49, line 15.

Renumber: internal references to reflect added sections

Amendment **adopted** as follows:

Yeas: Ankney, Blasdel, Bogner, Brown, Cuffe, Ellsworth, Esp, Fielder, Gauthier, Gillespie, Hinebauch, Hoven, Howard, Kary, Keenan, Lang, Olszewski, Osmundson, Regier, Smith C, Tempel, Thomas, Vance, Webb, Welborn, Mr President.

Total 26

Nays: Barrett, Bennett, Boland, Cohenour, Ellis, Fitzpatrick, Flowers, Gross, Jacobson, MacDonald, Malek, McClafferty, McConnell, McNally, Phillips, Pomnichowski, Richmond, Salomon, Sands, Sesso, Small, Smith F, Vuckovich, Webber.

Total 24

Paired: None.

Excused: None.

Total 0

Absent or not voting: None.

Total 0

HB 658 - Senator D. Brown moved **HB 658**, second reading copy, be further amended with amendment **658014** as follows:

1. Page 5, line 30.

Following: "90 DAYS"

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Insert: "unless the audit committee has been unable to select an independent third-party auditor. If the audit committee has not made a selection within 90 days of the notification required under subsection (4)(a), the committee has an additional 90 days to make the selection, and the 90-day period renews until a selection is made.

Strike: "AND THE"

Insert: "(ii) The audit"

Following: "REPORT"

Insert: "must be"

2. Page 6, line 2 through line 3.

Strike: subsection (ii) in its entirety

Amendment **not** adopted as follows:

Yeas: Ankney, Blasdel, Bogner, Brown, Cuffe, Ellsworth, Esp, Fielder, Gillespie, Hinebauch, Hoven, Howard, Kary, Keenan, Lang, Olszewski, Osmundson, Regier, Smith C, Tempel, Thomas, Vance, Webb, Welborn, Mr President.

Total 25

Nays: Barrett, Bennett, Boland, Cohenour, Ellis, Fitzpatrick, Flowers, Gauthier, Gross, Jacobson, MacDonald, Malek, McClafferty, McConnell, McNally, Phillips, Pomnichowski, Richmond, Salomon, Sands, Sesso, Small, Smith F, Vuckovich, Webber.

Total 25

Paired: None.

Excused: None.

Total 0

Absent or not voting: None.

Total 0

HB 658 - Senator Small moved to reconsider amendment **658012** due to a technical error in the amendment.

Senate recessed at 2:59 p.m. and reconvened at 3:30 p.m. Senator Fitzpatrick in the chair.

HB 658 - Senator Small withdrew the reconsideration motion.

HB 658 - Majority Leader Thomas moved that amendment **658012** be removed from the bill. Without objection, so ordered.

HB 658 - Majority Leader Thomas moved **HB 658**, second reading copy, be further amended with amendment **658015** as follows:

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1. Title, page 1, line 17.

Following: "SECTIONS"

Insert: "15-30-2618,"

2. Title, page 1, line 18.

Following: "15-30-2660,"

Insert: "15-31-511,"

3. Page 11, line 16.

Insert: "**Section 8.** Section 15-30-2618, MCA, is amended to read:

"15-30-2618. Confidentiality of tax records. (1) Except as provided in 5-12-303, 15-1-106, 17-7-111, and subsections ~~(8)~~ and (7) through (9) of this section, in accordance with a proper judicial order, or as otherwise provided by law, it is unlawful to divulge or make known in any manner:

(a) the amount of income or any particulars set forth or disclosed in any individual report or individual return required under this chapter or any other information secured in the administration of this chapter; or

(b) any federal return or federal return information disclosed on any return or report required by rule of the department or under this chapter.

(2) (a) The officers charged with the custody of the reports and returns may not be required to produce them or evidence of anything contained in them in an action or proceeding in a court, except in an action or proceeding:

(i) to which the department is a party under the provisions of this chapter or any other taxing act; or

(ii) on behalf of a party to any action or proceedings under the provisions of this chapter or other taxes when the reports or facts shown by the reports are directly involved in the action or proceedings.

(b) The court may require the production of and may admit in evidence only as much of the reports or of the facts shown by the reports as are pertinent to the action or proceedings.

(3) This section does not prohibit:

(a) the delivery to a taxpayer or the taxpayer's authorized representative of a certified copy of any return or report filed in connection with the taxpayer's tax;

(b) the publication of statistics classified to prevent the identification of particular reports or returns and the items of particular reports or returns; or

(c) the inspection by the attorney general or other legal representative of the state of the report or return of any taxpayer who brings an action to set aside or review the tax based on the report or return or against whom an action or proceeding has been instituted in accordance with the provisions of 15-30-2630.

(4) The department may deliver to a taxpayer's spouse the taxpayer's return or information related to the return for a tax year if the spouse and the taxpayer filed the return with the filing status of married filing separately on the same return. The information being provided to the spouse or reported on the return, including subsequent adjustments or amendments to the return, must be treated in the same manner as if the spouse and the taxpayer filed the return using a joint filing status for that tax year.

(5) Reports and returns must be preserved for at least 3 years and may be preserved

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until the department orders them to be destroyed.

(6) Any offense against subsections (1) through (5) is punishable by a fine not exceeding \$500. If the offender is an officer or employee of the state, the offender must be dismissed from office or employment and may not hold any public office or public employment in this state for a period of 1 year after dismissal or, in the case of a former officer or employee, for 1 year after conviction.

(7) This section may not be construed to prohibit the department from providing taxpayer return information and information from employers' payroll withholding reports to:

(a) the department of labor and industry to be used for the purpose of investigation and prevention of noncompliance, tax evasion, fraud, and abuse under the unemployment insurance laws; ~~or~~

(b) the state fund to be used for the purpose of investigation and prevention of noncompliance, fraud, and abuse under the workers' compensation program; or

(c) the department of public health and human services to verify, as required under 53-6-133, the income reported by applicants for medical assistance.

(8) The department may permit the commissioner of internal revenue of the United States or the proper officer of any state imposing a tax on the incomes of individuals or the authorized representative of either officer to inspect the return of income of any individual or may furnish to the officer or an authorized representative an abstract of the return of income of any individual or supply the officer with information concerning an item of income contained in a return or disclosed by the report of an investigation of the income or return of income of an individual, but the permission may be granted or information furnished only if the statutes of the United States or of the other state grant substantially similar privileges to the proper officer of this state charged with the administration of this chapter.

(9) On written request to the director or a designee of the director, the department shall furnish:

(a) to the department of justice all information necessary to identify those persons qualifying for the additional exemption for blindness pursuant to 15-30-2114(4), for the purpose of enabling the department of justice to administer the provisions of 61-5-105;

(b) to the department of public health and human services information acquired under 15-30-2616, pertaining to an applicant for public assistance, reasonably necessary for the prevention and detection of public assistance fraud and abuse, provided notice to the applicant has been given;

(c) to the department of labor and industry:

(i) for the purpose of prevention and detection of fraud and abuse in and eligibility for benefits under the unemployment compensation and workers' compensation programs, information on whether a taxpayer who is the subject of an ongoing investigation by the department of labor and industry is an employee, an independent contractor, or self-employed; and

(ii) for the purpose of administering the apprenticeship tax credit provided for in 39-6-109, employer and apprentice information necessary to implement 15-30-2357, 15-31-173, and 39-6-109;

(d) to the department of fish, wildlife, and parks specific information that is available from income tax returns and required under 87-2-102 to establish the residency requirements of an applicant for hunting and fishing licenses;

(e) to the board of regents information required under 20-26-1111;

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(f) to the legislative fiscal analyst and the office of budget and program planning individual income tax information as provided in 5-12-303, 15-1-106, and 17-7-111. The information provided to the office of budget and program planning must be the same as the information provided to the legislative fiscal analyst.

(g) to the department of transportation farm income information based on the most recent income tax return filed by an applicant applying for a refund under 15-70-430, provided that notice to the applicant has been given as provided in 15-70-430. The information obtained by the department of transportation is subject to the same restrictions on disclosure as are individual income tax returns.

(h) to the department of commerce tax information about a taxpayer whose debt is assigned to the department of revenue for offset or collection pursuant to the terms of Title 17, chapter 4, part 1. The information provided to the department of commerce must be used for the purposes of preventing and detecting fraud or abuse and determining eligibility for grants or loans.

(i) to the superintendent of public instruction information required under 20-9-905. (Subsection (9)(i) terminates December 31, 2023--sec. 33, Ch. 457, L. 2015.)"

Renumber: subsequent sections

4. Page 14, line 2.

Insert: "Section 10. Section 15-31-511, MCA, is amended to read:

"15-31-511. Confidentiality of tax records. (1) Except as provided in this section, in accordance with a proper judicial order, or as otherwise provided by law, it is unlawful to divulge or make known in any manner:

(a) the amount of income or any particulars set forth or disclosed in any return or report required under this chapter or any other information relating to taxation secured in the administration of this chapter; or

(b) any federal return or information in or disclosed on a federal return or report required by law or rule of the department under this chapter.

(2) (a) An officer or employee charged with custody of returns and reports required by this chapter may not be ordered to produce any of them or evidence of anything contained in them in any administrative proceeding or action or proceeding in any court, except:

(i) in an action or proceeding in which the department is a party under the provisions of this chapter; or

(ii) in any other tax proceeding or on behalf of a party to an action or proceeding under the provisions of this chapter when the returns or reports or facts shown in them are directly pertinent to the action or proceeding.

(b) If the production of a return, report, or information contained in them is ordered, the court shall limit production of and the admission of returns, reports, or facts shown in them to the matters directly pertinent to the action or proceeding.

(3) This section does not prohibit:

(a) the delivery of a certified copy of any return or report filed in connection with a return to the taxpayer who filed the return or report or to the taxpayer's authorized representative;

(b) the publication of statistics prepared in a manner that prevents the identification of particular returns, reports, or items from returns or reports;

(c) the inspection of returns and reports by the attorney general or other legal

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representative of the state in the course of an administrative proceeding or litigation under this chapter;

(d) access to information under subsection (4);

(e) the director of revenue from permitting a representative of the commissioner of internal revenue of the United States or a representative of a proper officer of any state imposing a tax on the income of a taxpayer to inspect the returns or reports of a corporation. The department may also furnish those persons abstracts of income, returns, and reports; information concerning any item in a return or report; and any item disclosed by an investigation of the income or return of a corporation. The director of revenue may not furnish that information to a person representing the United States or another state unless the United States or the other state grants substantially similar privileges to an officer of this state charged with the administration of this chapter.

(4) On written request to the director or a designee of the director, the department shall:

(a) allow the inspection of returns and reports by the legislative auditor, but the information furnished to the legislative auditor is subject to the same restrictions on disclosure outside that office as provided in subsection (1);

(b) provide corporate income tax and alternative corporate income tax information, including any information that may be required under Title 15, chapter 30, part 33, to the legislative fiscal analyst, as provided in 5-12-303 or 15-1-106, and the office of budget and program planning, as provided in 15-1-106 or 17-7-111. The information furnished to the legislative fiscal analyst and the office of budget and program planning is subject to the same restrictions on disclosure outside those offices as provided in subsection (1).

(c) provide to the department of commerce tax information about a taxpayer whose debt is assigned to the department of revenue for offset or collection pursuant to the terms of Title 17, chapter 4, part 1. The information provided to the department of commerce must be used for the purposes of preventing and detecting fraud or abuse and determining eligibility for grants or loans.

(d) furnish to the superintendent of public instruction information required under 20-9-905;

(e) exchange with the department of labor and industry taxpayer and apprentice information necessary to implement 15-30-2357, 15-31-173, and 39-6-109; and

(f) provide the department of public health and human services with the information necessary to verify, as required under 53-6-133, the income reported by an applicant for medical assistance.

(5) A person convicted of violating this section shall be fined not to exceed \$500. If a public officer or public employee is convicted of violating this section, the person is dismissed from office or employment and may not hold any public office or public employment in the state for a period of 1 year after dismissal or, in the case of a former officer or employee, for 1 year after conviction. (Subsection (4)(d) terminates December 31, 2023--sec. 33, Ch. 457, L. 2015.)""

5. Page 32, line 23.

Following: "(3)"

Insert: "(a)"

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6. Page 32, line 24.

Following: "regulation"

Insert: "and Montana department of revenue information as required under subsection (3)(b)"

7. Page 32.

Following: line 25

Insert: "(b) The department shall request income tax and wage income from the department of revenue as allowed under 15-30-2618 and 15-31-511 to verify the income information provided by applicants who may be eligible for coverage pursuant to 53-6-1304."

8. Page 1, line 27 through page 49, line 15.

Renumber: internal references to reflect added sections

Amendment **adopted** as follows:

Yeas: Ankney, Blasdel, Bogner, Brown, Cuffe, Ellsworth, Esp, Fielder, Gillespie, Hinebauch, Hoven, Howard, Kary, Keenan, Lang, Olszewski, Osmundson, Regier, Richmond, Smith C, Tempel, Thomas, Vance, Webb, Welborn, Mr President.
Total 26

Nays: Barrett, Bennett, Boland, Cohenour, Ellis, Fitzpatrick, Flowers, Gauthier, Gross, Jacobson, MacDonald, Malek, McClafferty, McConnell, McNally, Phillips, Pomnichowski, Salomon, Sands, Sesso, Small, Smith F, Vuckovich, Webber.
Total 24

Paired: None.

Excused: None.

Total 0

Absent or not voting: None.

Total 0

HB 658 - Senator D. Brown moved **HB 658**, second reading copy, be further amended with amendment **658005** as follows:

1. Title, page 1, line 7.

Strike: "MAKING"

Insert: "EXTENDING"

2. Title, page 1, line 8.

Strike: "REPEALING"

Insert: "REVISING"

3. Title, page 1, line 21.

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Strike: "AND REPEALING"

4. Page 45, line 11.

Strike: "JANUARY 1, 2020"

Insert: "June 30, 2025"

5. Page 45, line 14.

Strike: "JANUARY 1, 2020"

Insert: "June 30, 2025"

6. Page 45, line 20.

Strike: section 36 in its entirety

Renumber: subsequent sections

7. Page 1, line 27 through page 49, line 15.

Renumber: internal references to reflect deleted section

Amendment **adopted** as follows:

Yeas: Ankney, Blasdel, Bogner, Brown, Cuffe, Ellsworth, Esp, Fielder, Fitzpatrick, Gauthier, Gillespie, Hinebauch, Hoven, Howard, Kary, Keenan, Lang, Olszewski, Osmundson, Regier, Richmond, Smith C, Tempel, Thomas, Vance, Webb, Welborn, Mr President.
Total 28

Nays: Barrett, Bennett, Boland, Cohenour, Ellis, Flowers, Gross, Jacobson, MacDonald, Malek, McClafferty, McConnell, McNally, Phillips, Pomnichowski, Salomon, Sands, Sesso, Small, Smith F, Vuckovich, Webber.
Total 22

Paired: None.

Excused: None.
Total 0

Absent or not voting: None.
Total 0

HB 658 - As amended, **HB 658 failed** as follows:

Yeas: Barrett, Bennett, Boland, Cohenour, Ellis, Fitzpatrick, Flowers, Gauthier, Gillespie, Gross, Jacobson, MacDonald, Malek, McClafferty, McConnell, McNally, Phillips, Pomnichowski, Salomon, Sands, Sesso, Small, Smith F, Vuckovich, Webber.
Total 25

Nays: Ankney, Blasdel, Bogner, Brown, Cuffe, Ellsworth, Esp, Fielder, Hinebauch, Hoven,

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Howard, Kary, Keenan, Lang, Olszewski, Osmundson, Regier, Richmond, Smith C, Tempel, Thomas, Vance, Webb, Welborn, Mr President.
Total 25

Paired: None.

Excused: None.
Total 0

Absent or not voting: None.
Total 0

Majority Leader Thomas moved the committee **rise and report**. Motion carried. Committee arose. Senate resumed. President Sales presiding.

Senator Fitzpatrick moved the Committee of the Whole report be adopted. Report adopted as follows:

Yeas: Ankney, Blasdel, Bogner, Brown, Cuffe, Ellsworth, Esp, Fielder, Fitzpatrick, Gauthier, Gillespie, Hinebauch, Hoven, Howard, Jacobson, Kary, Keenan, Lang, Olszewski, Osmundson, Regier, Richmond, Small, Smith C, Tempel, Thomas, Vance, Webb, Mr President.
Total 29

Nays: Barrett, Bennett, Boland, Cohenour, Ellis, Flowers, Gross, MacDonald, Malek, McClafferty, McConnell, McNally, Phillips, Pomnichowski, Salomon, Sands, Sesso, Smith F, Vuckovich, Webber, Welborn.
Total 21

Paired: None.

Excused: None.
Total 0

Absent or not voting: None.
Total 0

MOTIONS

Majority Leader Thomas moved that **HB 725, HB 643, HB 763, HB 293, HB 405, HB 431, and HB 411** be taken from the Senate and re-referred to the Finance and Claims Committee. Without objection, so ordered.

Majority Leader Thomas moved the Senate accede to the request of the House and appoint a Conference Committee on **HB 599**. Motion carried. President Sales appointed:

4/11/2019

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Senator Olszewski, Chair
Senator McClafferty
Senator Small

Majority Leader Thomas moved the Senate accede to the request of the House and appoint a Conference Committee on **HB 22**. Motion carried. President Sales appointed:

4/11/2019

Senator Richmond, Chair
Senator Cuffe
Senator Vuckovich

Majority Leader Thomas moved the Senate accede to the request of the House and appoint a Conference Committee on **HB 54**. Motion carried. President Sales appointed:

4/11/2019

Senator K. Regier, Chair
Senator Gross
Senator Hinebauch

Majority Leader Thomas moved the Senate accede to the request of the House and appoint a **Free** Conference Committee on **HB 106**. Motion carried. President Sales appointed:

4/11/2019

Senator D. Brown, Chair
Senator Pomnichowski
Senator Sands

Majority Leader Thomas moved the Senate accede to the request of the House and appoint a Conference Committee on **HB 260**. Motion carried. President Sales appointed:

4/11/2019

Senator D. Brown, Chair
Senator Kary
Senator F. Smith

REPORTS OF STANDING COMMITTEES

BUSINESS, LABOR, AND ECONOMIC AFFAIRS (Fitzpatrick, Chair):

4/11/2019

HB 405, be concurred in.

HB 475, be concurred in.

HB 515, be amended as follows:

1. Title, page 1, line 5.

Strike: "SEVERE FORMS OF"

2. Title, page 1, line 13 through line 14.

Strike: "REPEALING SECTIONS" on line 13 through "61-6-142, MCA;" on line 14

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3. Page 1, line 19.

Strike: "severe form of"

4. Page 1, line 19.

Strike: "(1)"

5. Page 1, line 21.

Following: "commission of a felony"

Strike: "of a severe form"

6. Page 1, line 24 through line 30.

Strike: subsection (2) in its entirety

7. Page 9, line 27.

Following: "61-6-138"

Insert: ", a surety or indemnity bond under 61-6-137, or a deposit of cash or securities under 61-6-138"

8. Page 16, line 25 through page 17, line 1.

Strike: section 13 in its entirety

Renumber: subsequent sections

And, as amended, be concurred in.

HB 626, be amended as follows:

1. Page 1, line 23.

Strike: "3,000 or more hours of"

2. Page 1, line 24.

Strike: "At least 800 hours"

Insert: "Some"

3. Page 2, line 14.

Following: line 13

Insert: "(b) may engage in social work activities as provided in 33-22-102(5)(b) through (5)(g);"

Renumber: subsequent subsections

Following: "may engage in"

Strike: "independent"

4. Page 2, line 16.

Strike: "(2)(b)"

Insert: "(2)(c)"

5. Page 2, line 28.

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Strike: "3,000 or more hours of"

6. Page 2, line 29.

Strike: "At least 1,500 hours"

Insert: "Some"

7. Page 3, line 19.

Following: line 18

Insert: "(b) may engage in social work activities as provided in 33-22-102(5)(b) through (5)(g);"

Renumber: subsequent subsections

Following: "may engage in"

Strike: "independent"

8. Page 3, line 21.

Strike: "(2)(b)"

Insert: "(2)(c)"

And, as amended, be concurred in.

HB 632, be concurred in.

HB 725, be concurred in.

HB 727, be amended as follows:

1. Title, page 1, line 11.

Following: "DATES"

Insert: "AND A TERMINATION DATE"

2. Page 11, line 20.

Following: "constructed."

Insert: "The time period is also tolled if the department receives sufficient written protests that satisfy the requirements in 16-4-207 until a final agency decision either denies or dismisses a protest against the approval of an application."

3. Page 14, line 29.

Following: "concessionaire"

Insert: "or both"

4. Page 14, line 30.

Following: "concessionaire"

Insert: "or both"

5. Page 15, line 1.

Following: "concession agreement"

Insert: "or both"

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6. Page 15, line 2.

Following: "concession agreement"

Insert: "or both"

7. Page 15, line 6.

Following: "concessionaire"

Insert: "or both"

8. Page 15, line 7.

Following: "concessionaire"

Insert: "or both"

9. Page 15, line 9.

Following: "employees"

Insert: "or both"

10. Page 15, line 11.

Following: the first "concessionaire"

Insert: "or both"

Following: "agent of the licensee or concessionaire"

Insert: "or both"

11. Page 15, line 14.

Following: "concessionaire"

Strike: "has"

Insert: "or both have"

Strike: "its"

Insert: "their"

12. Page 28.

Following: line 20

Insert: "NEW SECTION. Section 13. Termination. [Sections 2, 3, 7, and 9] terminate June 30, 2021."

And, as amended, be concurred in.

HB 732, be amended as follows:

1. Title, page 1, line 9.

Following: "EFFECTIVE DATE"

Insert: "AND A TERMINATION DATE"

2. Page 7, line 5.

Following: line 4

Insert: "NEW SECTION. Section 7. Termination. [This act] terminates June 30,

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2023."

And, as amended, be concurred in.

HB 751, be concurred in.

TAXATION (Webb, Chair):
HB 293, be amended as follows:

4/11/2019

1. Title, page 1, line 12.

Strike: "POSTPRODUCTION"

Insert: "MONTANA WAGE"

2. Title, page 1, line 12 through line 13.

Strike: "IF" on line 12 through "MONTANA" on line 13

3. Title, page 1, line 17.

Strike: "REQUESTED AND"

4. Title, page 1, line 19.

Strike: "IMMEDIATE"

Following: "DATE"

Insert: "AND APPLICABILITY DATES"

5. Page 2, line 11 through line 13.

Strike: "the members" on line 11 through "CORPORATION" on line 13

Insert: "a subsidiary of which more than 50% of the voting stock is owned directly by the parent corporation or another member of the Montana combined group"

6. Page 2, line 16.

Following: "means"

Insert: "Montana"

7. Page 2, line 18.

Following: "services"

Insert: "performed in this state"

8. Page 4, line 8.

Following: "preproduction"

Strike: ", "

Insert: "or"

Strike: ", or postproduction"

9. Page 4, line 9.

Strike: "without limitation"

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10. Page 4, line 19 through line 20.

Strike: "food costs" on line 19

Following: "allowances" on line 19

Insert: "per diem and living allowance"

Strike: ", including" on line 19 through "members" on line 20

11. Page 5, line 2.

Strike: "or"

12. Page 5, line 3.

Following: "distribution"

Insert: "; or

(vi) postproduction expenditures"

13. Page 5, line 24.

Strike: the first "expenditure"

Insert: "wage"

Strike: "an expenditure"

Insert: "wages"

14. Page 5, line 25 through page 6, line 7.

Strike: ", including" on page 5, line 25 through "agency" on page 6, line 7

15. Page 7, line 29.

Strike: "11"

Insert: "10"

16. Page 8, line 23.

Following: "1."

Insert: "and"

17. Page 8, line 25.

Strike: "1."

Insert: "1."

18. Page 8, line 26 through line 29.

Strike: subsection (m) through subsection (n) in their entirety

19. Page 9, line 20.

Following: "and"

Insert: "the Montana screen credit needed to qualify for the additional tax credit provided for in [section 7(3)(b)(viii)] and"

20. Page 9, line 28.

Following: "credit,"

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Insert: "the department's policies on the types of productions that may include the Montana screen credit,"

21. Page 10, line 1.

Strike: "expenditures"

Insert: "wages"

22. Page 11, line 5.

Strike: "(a)"

Strike: "expenditures"

Insert: "wages"

23. Page 11, line 6 through line 13.

Strike: "detailed" on line 6 through "expenditures," on line 13

24. Page 11, line 18 through line 23.

Strike: subsection (5) in its entirety

Renumber: subsequent subsections

25. Page 12, line 24 through line 25.

Strike: "QUALIFIED" on line 24 through "RENTALS," on line 25

Insert: "wages"

26. Page 12, line 29 through line 30.

Strike: ", POSTPRODUCTION" on line 29 through "EXPENDITURES," on line 30.

27. Page 13, line 1.

Strike: "EXPENDITURES"

Insert: "wages"

28. Page 13, line 6.

Strike: "11"

Insert: "10"

29. Page 13, line 9.

Strike: "FROM THE"

Insert: "up to 6 months before"

30. Page 13, line 10.

Following: "The"

Insert: "credit must be claimed for the period July 1, 2019, through December 31, 2020, in which the production expenditures were incurred or the compensation was paid unless the credit is transferred to the next tax year because the limits provided for in [section 10] have been met. For periods after December 31, 2020, the"

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31. Page 13, line 27.

Strike: "15%"

Insert: "20%"

Strike: "\$5"

Insert: "\$7.5"

32. Page 14, line 6.

Strike: "AND"

33. Page 14, line 7.

Following: "and"

Insert: "; and"

(viii) an additional 5% of the base investment in the state if the state-certified production includes a Montana screen credit furnished by the state as provided in [section 4(7)]"

34. Page 14, line 12.

Strike: "PROVIDED THAT"

Insert: "for"

35. Page 14, line 13.

Following: "EXPENDITURES"

Insert: "that"

36. Page 14, line 14.

Strike: "3"

Insert: "5"

37. Page 15, line 21.

Strike: "90%"

Insert: "85%"

38. Page 16, line 12.

Strike: "expenditures"

Insert: "wages"

39. Page 16, line 13.

Strike: "expenditures"

Insert: "wages"

40. Page 16, line 14 through line 15.

Strike: ":" on line 14 through "(a)" on line 15

41. Page 16, line 16 through line 19.

Strike: ";" on line 16 through "Montana" on line 19

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42. Page 16, line 20.

Strike: "expenditures"

Insert: "wages"

43. Page 16, line 20 through line 22.

Strike: "An" on line 20 through "area." on line 22

44. Page 16, line 26.

Strike: "3"

Insert: "5"

45. Page 17, line 27 through line 29.

Strike: subsection (b) in its entirety

Renumber: subsequent subsections

46. Page 18, line 5.

Strike: "\$7.5"

Insert: "\$10"

47. Page 19, line 12.

Strike: the second "expenditures"

Insert: "wages"

48. Page 21, line 13.

Insert: "COORDINATION SECTION. **Section 15. Coordination instruction.** If both House Bill No. 723 and [this act] are passed and approved, then [section 1(5) of House Bill No. 723] must be amended by including the underlined language as follows:

"(5) The following tax credits expire on December 31, 2029:

(a) the biodiesel or biolubricant production facility credit provided for in 15-32-702;

(b) the biodiesel blending and storage credit provided for in 15-32-703;

(c) the adoption tax credit provided for in 15-30-2364;

(d) the credit for providing temporary emergency lodging provided for in 15-30-2381 and 15-31-171;

(e) the credit for hiring a registered apprentice or veteran apprentice provided for in 15-30-2357 and 15-31-173; ~~and~~

(f) the earned income tax credit provided for in 15-30-2318; and

(g) the media production and postproduction credits provided for in [section 7 of House Bill No. 293] and [section 9 of House Bill No. 293]."

Insert: "COORDINATION SECTION. **Section 16. Coordination instruction.** If both House Bill No. 723 and [this act] are passed and approved, then [section 7(1) of this act] must be amended as follows:

"(1) Subject to [section 10] and through the tax year ending December 31, 2029, a production company and its affiliates are allowed a credit against the taxes imposed by chapter 30 and this chapter for investments in a state-certified production approved by the department of commerce as provided in [sections 4 and 5]. The credit is for the base investment made up

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to 6 months before state certification through completion of the project. The credit must be claimed for the period July 1, 2019, through December 31, 2020, in which the production expenditures were incurred or the compensation was paid unless the credit is transferred to the next tax year because the limits provided for in [section 10] have been met. For periods after December 31, 2020, the credit must be claimed for the year in which the production expenditures were incurred or the compensation was paid unless the credit is transferred to the next tax year because the limits provided for in [section 10] have been met.""

Insert: "COORDINATION SECTION. **Section 17. Coordination instruction.** If both House Bill No. 723 and [this act] are passed and approved, then [section 9(1) of this act] must be amended as follows:

"(1) ~~A~~ Through the tax year ending December 31, 2029, a postproduction company that has incurred qualified postproduction wages in the tax year is allowed a credit against the taxes imposed by chapter 30 and this chapter if:"

Renumber: subsequent sections

49. Page 21, line 18.

Strike: "on passage and approval"

Insert: "July 1, 2019"

50. Page 21, line 19.

Following: line 18

Insert: "NEW SECTION. **Section 20. Applicability.** (1) Except as provided in subsection (2), [this act] applies to tax years beginning after December 31, 2020.

(2) The tax credit in [section 7] applies after June 30, 2019, as provided in [section 7(1)]."

And, as amended, be concurred in.

HB 507, be concurred in.

HB 636, be amended as follows:

1. Title, page 1, line 5 through line 8.

Strike: "REQUIRING" on line 5 through "ASSESSED VALUE;" on line 8

2. Page 1, line 25.

Strike: "(i)"

3. Page 1, line 26.

Strike: "or" through "department"

4. Page 2, line 9 through line 16.

Strike: subsection (ii) through subsection (iii) in their entirety

And, as amended, be concurred in.

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HB 656, be concurred in.

HB 723, be amended as follows:

1. Page 3, line 6.

Strike: "(2)"

Insert: "(6)"

2. Page 3, line 7.

Following: "session"

Insert: ", including any individual or corporate income tax credits with an expiration or termination date that are not listed in this section,"

3. Page 3, line 8.

Following: the first "expiration"

Insert: "or termination"

And, as amended, be concurred in.

HJ 35, be amended as follows:

1. Page 2, line 6.

Strike: "must"

Insert: "may"

Following: "include"

Insert: "but are not limited to"

And, as amended, be concurred in.

ANNOUNCEMENTS

Committee meetings were announced by the committee chairs.

Majority Leader Thomas moved the Senate adjourn until 1:00 p.m., Friday, April 12, 2019, seventy-seventh legislative day. Motion carried.

Senate adjourned at 4:05 p.m.

MARILYN MILLER
Secretary of the Senate

SCOTT SALES
President of the Senate